

Southern California  
Association of Governments

**Regional Council  
Policy Manual**

SOUTHERN CALIFORNIA



**ASSOCIATION of  
GOVERNMENTS**

**Adopted by the  
SCAG Regional Council  
July 12, 2007  
Amended May 8, 2008**

## **REGIONAL COUNCIL POLICY MANUAL**

### **TABLE OF CONTENTS**

<b>SCAG Mission Statement.....</b>	<b>01</b>
<b>Article I: Regional Council Procedures.....</b>	<b>02</b>
<b>Article II: Guidelines and Principles for the Conduct of SCAG Regional Council and Committee Meeting.....</b>	<b>05</b>
<b>Article III: Closed Sessions and Member Agencies.....</b>	<b>09</b>
<b>Article IV: Conflict of Interest Policy.....</b>	<b>10</b>
<b>Article V: SCAG Policy Relating to Individual Staff Members Communications with the Regional Council or Policy Committees.....</b>	<b>18</b>
<b>Article VI: Stipends, Expense Reimbursements, and other General Fund Expenditures .....</b>	<b>19</b>
<b>Article VII: Regional Council Policies on Memberships and Leadership Development .....</b>	<b>23</b>
<b>Article VIII: Regional Council Approvals for Procurements; Procurement Policies; and Approvals for Grant Applications.....</b>	<b>24</b>
<b>Article IX: Policy Regarding Participation in Competitive Procurement .....</b>	<b>25</b>
<b>Article X: Statement of Investment Policy .....</b>	<b>28</b>
<b>Article XI: Regional Council Strategic Plan .....</b>	<b>35</b>
<b>Article XII: Legislative Protocol .....</b>	<b>44</b>
<b>Appendix A: Rules of Procedure for Conduct of Meetings</b>	
<b>Appendix B: Selected Sections of SCAG Personnel Rules</b>	
<b>Appendix C: Legislative Protocol Flow Chart</b>	

## **SCAG Mission Statement** (Adopted November 7, 1996)

### **LEADERSHIP, VISION, PROGRESS**

*Leadership, vision and progress* which promote economic growth, personal well-being, and livable communities for all Southern Californians.

#### **The Association will accomplish this Mission by:**

- Developing long-range regional plans and strategies that provide for efficient movement of people, goods, and information; enhance economic growth and international trade; and improve the environment and quality of life.
- Providing quality information services and analysis for the region.
- Using an inclusive decision-making process that resolves conflicts and encourages trust.
- Creating an educational and work environment that cultivates creativity, initiative, and opportunity.

## **ARTICLE I: REGIONAL COUNCIL PROCEDURES<sup>1</sup>**

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<sup>1</sup> These procedures were formerly SCAG Bylaws provisions, which were moved from the Bylaws into this separate Regional Council Policy Manual, pursuant to Regional Council action on March 1, 2007 and SCAG Bylaws Amendment #3 approved by the General Assembly on May 3, 2007.

(Amended May 8, 2008; Effective May 3, 2007; Adopted March 1, 2007)

## **Section 1**

- 1.1 District Representative Election Procedures:** Upon establishment of Districts by the Regional Council, an election of a District representative for each District shall be held as set forth below.
- A. For purposes of this section 1.1, a quorum shall be recorded votes from at least two-thirds (2/3) of the SCAG Member Cities in each District.
  - B. District representative elections shall take place not later than one (1) month prior to the annual General Assembly meeting for applicable District election years or as otherwise set forth by the Regional Council.
  - C. District representatives for each District shall be elected by their peers from among locally elected city council members of cities who are members of SCAG within a District by a majority vote of a quorum. The District shall conduct the election and tabulate the results of said election at regular meetings of formally or informally constituted local government associations, division meetings of the League of California Cities and/or special meetings requested by all SCAG Member Cities within a District. Notwithstanding the above, in the event one or more SCAG Member Cities in a District are located a substantial distance from the location where the election is to take place, the SCAG Member Cities in the District may permit one or more SCAG Member Cities to participate in such election by video teleconferencing or other telephonic means pursuant to procedures adopted by the Regional Council and the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code) ("Brown Act").

## **Section 2**

### **2.1 Regional Council Meetings:**

- A. Notice for Regional Council meetings shall be provided in accordance with the Brown Act.
- B. In the event a member of the Regional Council fails to attend (3) consecutive meetings of the Regional Council, the applicable county or cities comprising said member's District or the Tribal Government Regional Planning Board shall be notified of such member's failure to attend.

- C. Unless otherwise determined by the Regional Council, it shall consider recommendations from the Policy Committees at the Regional Council meeting in the following month.

## **2.2 Administration Committee:**

- A. The Chair of the Administration Committee shall be the current President of SCAG, who shall preside over meetings of the Administration Committee. The Vice Chair of the Administration Committee shall be the First Vice President of SCAG. The Chair and Vice Chair of the Administration Committee shall serve for a one (1) year term, which shall expire upon the adjournment of the regular meeting of the General Assembly.
- B. The Administration Committee may meet on a day other than the date of the regularly scheduled meeting of the Regional Council on a date and time determined by the President.
- C. In the event that the Administration Committee meets on other than a regularly scheduled date of the Regional Council, the President or his designee shall notify the Regional Council in advance of the Administration Committee meeting and submit a full written report of the Administration Committee's activities and actions at the next regularly scheduled meeting of the Regional Council.
- D. Unless otherwise required by law, all recommendations from the Administration Committee shall be placed on the Regional Council agenda for consideration on the same day as action items.
- E. A quorum of the Administration Committee shall be seven (7) of its voting members.

## **2.3 Policy Committees:**

- A. The Policy Committees may elect by a majority of the Committee members present the Chair and Vice Chair for each of the Policy Committees to serve a one (1) year term, which shall expire upon the adjournment of the regular meeting of the General Assembly. The position of Chair and Vice Chair shall be held by Committee members who are also Regional Council members. Persons may serve a consecutive one-year term as Chair or Vice Chair upon the election of the respective Committee members; provided, however, that no person may serve as Chair or Vice Chair for more than two consecutive years. Any person who served as Chair or Vice Chair of a Policy Committee for two consecutive years must wait one year before re-assuming the position of Chair or Vice Chair, provided that any Vice Chair who has held such position for two years may immediately commence to serve as

Chair the following year for up to two consecutive years. If a vacancy occurs in the office of Chair, the Vice Chair shall serve as Chair for the unexpired term and a new Vice Chair shall be elected by a majority vote of the Committee present to fill the unexpired term.

- B. A quorum for each committee shall be one-third (1/3) of its voting members. To take action shall require an affirmative vote of a majority of the members constituting a quorum.
- C. The Policy Committees shall meet on the same day as the Regional Council unless otherwise scheduled by the Chair of the Committee with the concurrence of a majority of a quorum of the Committee.
- D. Only locally elected Tribal Council members and elected public official members of the Policy Committees shall be compensated for attendance at the Policy Committee meetings.

## **2.4 Amendment or Waiver of Policies and Procedures**

By majority vote of a quorum, the Regional Council may amend or waive any policies and procedures set forth in the Policy Manual except for requirements of a quorum, the Brown Act or other provisions of law, and SCAG personnel and administrative policies attached as *Appendix B*.

## **ARTICLE II: GUIDELINES AND PRINCIPLES FOR THE CONDUCT OF SCAG REGIONAL COUNCIL AND COMMITTEE MEETINGS<sup>2</sup>**

These Guidelines and Principles are intended to assist the Regional Council and the Committees of the Regional Council ("Committees") in the efficient, effective and orderly management of meetings. The Guidelines and Principles will further facilitate the active participation and consideration of the views of the members of the Regional Council at meetings. In order to implement the Guidelines and Principles set forth below, the Rules of Procedure for Conduct of Meetings of the Regional Council and the Committees are attached as *Appendix A* to this Regional Council Policy Manual. Selected SCAG Administrative and Personnel policies that affect Regional Council and Committee members are attached as *Appendix B* to this Policy Manual.

### **Section 1**

- 1.1 Time of Meetings:** Unless otherwise determined by the President or the Regional Council, the Regional Council, the Administration Committee and the Policy Committees shall meet regularly on the first Thursday of each month with the actual time of said meetings to be determined by the President and respective Policy Committee Chair. Additional meetings may be called in accordance with the Bylaws.  
(Art. V, Sec. A.3)
- 1.2 Open Meetings:** All meetings of the Regional Council and Committees shall be conducted pursuant to the Ralph M. Brown Act and shall be open to the public; provided, however, that the Regional Council and Committees may hold closed session as otherwise permitted by law.
- 1.3 Communications from the Public**
- A. Members of the public desiring to speak on an agenda item must notify the Secretary prior to speaking and submit a card indicating his or her name, organization and topic or agenda item.
  - B. Public comments shall be made at the beginning of each meeting.
  - C. Three minutes is the maximum time which is allotted to each speaker unless a majority vote extends the time.

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<sup>2</sup> The Guidelines and Principles for the Conduct of SCAG Regional Council and Committee Meetings ("Guidelines") were reviewed at the Regional Council Retreat, June 3-4, 1993; however, there is no record of their formal adoption by the Regional Council. The Guidelines were approved by the Regional Council on July 12, 2007, and subsequently amended on April 3, 2008 with said amendments approved by the General Assembly on May 8, 2008.

- D. All remarks shall be addressed through the President (or Chair) to the Regional Council as a body and not to any member.

#### **1.4 Agendas**

- A. All matters for the information of or action by the Regional Council shall be submitted to the Regional Council on an agenda submitted by the Executive Director.
- B. Prior to a regular meeting of the Regional Council, the Regional Council agenda with supporting materials shall be delivered to each Regional Council member. Prior to a regular meeting of the Administration Committee, and Policy Committees, each Committee member shall receive the agenda with supporting materials of the Committee to which he or she is appointed. Each substantive item on an agenda shall contain a staff summary. In addition, upon request, a Regional Council member shall receive an agenda for meetings of a committee to which he or she is not a member (without supporting materials, unless otherwise requested).
- C. The Regional Council agenda shall begin with a call to order, the pledge of allegiance, and a public comment period. The remainder of the Regional Council agenda shall follow the order contained in *Appendix A*, unless otherwise determined by the Regional Council.

#### **1.5 Presiding Officer of Regional Council**

The President shall be the presiding officer of the Regional Council. The Vice President shall act as the presiding officer in his/her absence. The Second Vice President, followed by the Immediate Past President, shall act as the presiding officer in the absence of both of the above officers. (See Bylaws, Art. VI, Sec. E.)

#### **1.6 Order of Business of Regional Council**

When the Regional Council has been called to order, the business of the Regional Council shall be considered in the order prescribed in the agenda, unless otherwise determined by the Regional Council in accordance with law. Each item shall be read by the President before it is considered.

#### **1.7 Reading of Minutes of Meetings of the Regional Council**

The minutes of a meeting may be approved without reading if each member has previously received a copy unless a reading of the minutes is requested by a member.



## **1.8 Presentations to Regional Council**

The Agenda shall identify the Committee Chair reporting on the item. The Committee Chair or the Presiding Officer may call upon appropriate staff to report on the item.

## **1.9 Rules of Order**

Business in the Regional Council and in the Committees shall be conducted according to the Rules of Order regarding Motions, Subsidiary Motions and Motions of Privilege, Order and Convenience. The Rules of Order are contained in *Appendix A*.

## **1.10 Voting**

Generally, the affirmative votes of a majority of a quorum of members are required for an action. In the case of nearly unanimous votes, names of members of the non-prevailing side may be recorded. Voting procedures shall be conducted as provided in the Bylaws (Art. V, Sec. A.5.) and *Appendix A*.

## **1.11 Motions**

All voting members may make motions, pursuant to the procedures in *Appendix A*. For every motion the minutes should reflect by name the motion-maker and seconding member.

## **1.12 Decorum**

The Regional Council and Committees shall not prohibit constitutionally protected speech from persons properly addressing the meetings. The President (or Chair), however, need not permit conduct which shall improperly disrupt the Regional Council meeting. Members of the public may be ejected from the meeting if they violate this section.

## **1.13 Disorderly Conduct**

In the event that any meeting is willfully interrupted so as to render the orderly conduct of such meeting impossible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the President (or Chair) may order the meeting room cleared and continue in session in accordance with the provisions of Government Code Section 54957.9 and any of its amendments.

#### **1.14 Committees**

- A. Agenda items for the Regional Council may be initiated by the Administration Committee, the Policy Committees, or other committees established by the Regional Council as appropriate.
- B. When reporting on committee action in the Regional Council, each Committee Chair may report the number of Committee members who were present and the vote count on the item.

#### **1.15 Ad Hoc Committees**

The Regional Council may form ad hoc committees at the pleasure of the Regional Council. Unless otherwise ordered by the Regional Council, members of ad hoc committees shall be appointed by the President and the chair of each ad hoc committee shall be designated by the President.

### **Section 2**

#### **2.1 SCAG Personnel and Administrative Policies**

Selected provisions of SCAG policies regarding discrimination, harassment, injury and illness prevention, alcohol and drug abuse, and workplace violence are applicable to the members of Regional Council and Committees as well as to SCAG employees. Applicable sections of the Personnel Rules are attached as *Appendix B*.

### **ARTICLE III: CLOSED SESSIONS AND MEMBER AGENCIES**

(Adopted February 3, 2005)

In accordance with §54956.96 of the California Government Code, SCAG hereby adopts a policy enabling Member Cities and Counties of SCAG the authority to conduct closed sessions of their respective legislative bodies to receive, discuss, and take action concerning information obtained in a closed session of the Regional Council of SCAG, if that information has direct financial or liability implications for that City or County Member of SCAG.

Notwithstanding anything to the contrary, all information received by the City or County Member of SCAG in a closed session related to information presented to SCAG in a closed session, shall be confidential. However, a member of a City Council or Board of Supervisors who are members of SCAG may disclose information that has a direct financial or liability implications for that Member City or County to the following individuals: (1) legal counsel for the City or County Member of SCAG; and (2) other members of the legislative body of the City or County Member of SCAG, all in accordance with the provisions of §54956.96(a) (1) (A) and (B).

## **ARTICLE IV: CONFLICT OF INTEREST POLICY** (Approved July 6, 2000)

The Regional Council of the Southern California Association of Governments hereby adopts a conflict of interest policy in order to provide comprehensive and clear rules of conduct for its members, employees and consultants.<sup>3</sup> The purpose of this policy is to further ensure that each Association member, employee and consultant is guided in the interest of the Association, rather than by personal interests. This policy shall incorporate and supplement existing state and federal conflict of interest laws and regulations.<sup>4</sup>

In order to implement this policy, all persons or firms, including subcontractors, seeking contracts or purchase orders of \$25,000 or more, are required to complete the “SCAG Conflict of Interest Form.”

### **Section 1: Persons Covered and Definitions**

The following terms used in this policy shall have the meanings set forth below. Except as otherwise provided herein, the terms and provisions of this policy shall have the meanings and shall be interpreted in accordance with the applicable definitions and provisions of the Political Reform Act of 1974, as amended (Gov. Code Section 81000 et seq.) and the regulations of the California Fair Political Practices Commission (“FPPC regulations”), as amended.

- 1.1** Persons covered under this conflict of interest policy (“policy”) shall include members, employees and consultants of the Southern California Association of Governments.
- 1.2** The “Association” for purposes of this policy shall refer to the Southern California Association of Governments (“SCAG”). The terms “Association” and “SCAG” shall be used interchangeably.
- 1.3** “Members” for purposes of this policy, shall include voting and non-voting members of the SCAG Regional Council; Policy Committee on Transportation and Communications; Policy Committee on Energy and Environment; Policy Committee on Community, Economic and Human Development and any other committee formed by the Regional Council pursuant to its authority under the Bylaws of the Association and designated on the SCAG Conflict of Interest Code.

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<sup>3</sup> This Conflict of Interest policy was intended to replace and supersede former conflict of interest policies adopted by the Regional Council.

<sup>4</sup> This policy shall not conflict with nor exempt any persons from state or federal conflict of interest laws.

- 1.4** For purposes of this policy, a “Subregional Consultant” shall mean any individual, including an executive director or coordinator who provides management, coordinating, consulting or similar services pursuant to a contract or other agreement with the Association, Subregional Council of Governments (“Subregion”), or any other subregional organization affiliated with SCAG. A “Subregional Consultant” shall not include an executive director or coordinator of a Subregion with a fixed contract or salary from SCAG that is not dependent on a dollar amount of contracts received.
- 1.5** “Employees” shall mean temporary, probationary, regular, exempt, and non-exempt individuals employed by the Association.
- 1.6** “Immediate Family” shall mean the spouse and dependent children.

## **Section 2: Prohibitions**

- 2.1 Gifts:** No Association employee or consultant shall accept any favors or gifts from persons, concerns or corporations who have, or seek to have, contracts with SCAG or have, or seek to have, plans, projects, or environmental impact reports reviewed by SCAG.<sup>5</sup>
- 2.2 Outside Employment:**
- A. No Association employee may engage in any employment activity or enterprise for compensation which, as determined by the Executive Director, is inconsistent, incompatible, in conflict with, or inimical to his or her duties as an Association employee as stated in the employee’s Performance Agreement or with the duties, functions, or responsibilities of SCAG.
  - B. No Association employee may offer, require or accept any goods or services of value from any person including any other Association employee in exchange for special treatment in or from SCAG.
- 2.3 Political Activity:** Pursuant to provisions of the California Government Code Sections 3201-3209 and Federal Hatch Act relating to political activities of public employees, Association employees shall not:
- A. Use political authority or influence in personnel matters (Cal. Gov. Code Section 3204);
  - B. Solicit political contributions from fellow employees or officers of SCAG, except as permitted by Cal. Gov. Code Section 3205; nor,

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<sup>5</sup> Members may accept gifts up to the state limits.

C. Engage in political activity during working hours or at SCAG offices (Cal. Gov. Code Section 3207).

**2.4 Private Gain or Advantage:** No Association employee shall use his or her position at SCAG or its facilities, equipment, supplies or information developed at public expense for private gain or advantage. Violation of this section may result in immediate termination of any employee by the Executive Director.

**2.5 SCAG Policy Statements:** Under the Bylaws of the Association, all policy statements regarding SCAG originate from the General Assembly or the Regional Council. No person in his or her official capacity as an Association employee shall represent SCAG in political debate or become involved in political issues or lobbying activities which are contrary to, or conflict with, stated SCAG policies. Where a policy of SCAG is unclear or nonexistent, employees must use discretion and judgment in making representative statements that they are in keeping with current SCAG policy.

#### **Subsection 2.6: Participation in SCAG Contracts and Decisions**

**2.6.1 Federal Contracts:** In accordance with 49 C.F.R. Section 18.36 (b)(3), an Association member, employee or consultant shall not participate in selection, or award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when one or more of the following persons has a financial or other interest in the firm selected for award:

- a. A person covered under this policy or his or her agent;
- b. immediate family;
- c. partner; or,
- d. any organization, which employs, or is about to employ, any of the above persons.

**2.6.2 Subregional Consultants:** Any Subregional Consultant who participates in any manner in the development, negotiation, allocation, award, selection, administration or expenditure of funds from SCAG to the Subregion, shall not contract or perform work for the receipt of any SCAG funds delegated or distributed to the Subregion by SCAG. Notwithstanding the foregoing, a Subregional Consultant shall be entitled to receive SCAG funds for managing or coordinating activities on behalf of the Subregion in accordance with SCAG's guidelines as permitted by law.

**2.6.3 Other Contracts:** In accordance with Cal. Gov. Code Section 1090 et seq., an Association member, employee or consultant shall not participate in

making any contract or other agreement involving SCAG, if he or she is financially interested in the contract.

- A. For purposes of this section, to “participate in making a contract” includes decisions to modify, extend or renegotiate a contract.
- B. If a member is financially interested in a contract within the meaning of Section 1090, not only is that member disqualified but the entire body is disqualified from voting on that contract. Members shall seek guidance from SCAG Legal Counsel to determine whether or not a member is financially interested in a contract.
- C. If SCAG Legal Counsel determines that a member has a financial interest in a bid or proposal for a contract in potential violation of Section 1090, such bid or proposal will be disqualified from consideration by SCAG.

**2.6.4 Participation in SCAG Decisions:** In accordance with Cal. Gov. Code Section 87100 et seq., an Association member, employee or consultant shall not make, participate in making or attempt to use his or her official position to influence a decision affecting SCAG when a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when a member, employee or consultant has a personal financial interest in a decision affecting SCAG. Such a person is deemed to have a financial interest if it is reasonably foreseeable that the decision will have a material effect, distinguishable from its effect on the public generally, on himself or his immediate family. The effect of a decision is material whenever a member, employee or consultant knows or has reason to know that a decision will significantly affect his or her economic interests.<sup>6</sup>

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<sup>6</sup> Fair Political Practices Commission regulations, 2 C.C.R., Sections 18702.1, 18702.2-18702.6; “Conflicts of Interests,” prepared by the Office of the Attorney General, Civil Division, 1998, pp. 1-18.

**2.6.5 Disclosure:** Association members, employees and consultants subject to the requirements of the Political Reform Act, Cal. Gov. Code Section 87100 et seq., are required by the SCAG Conflict of Interest Code to file an annual Statement of Economic Interests. Such disclosure statements shall be filed with the Executive Assistant to the Regional Council, pursuant to Cal. Gov. Code Sections 87200-87210. Under the Conflict of Interest Code for SCAG, revised in 1996, Regional Council members, the Executive Director and other designated employees and consultants are required to disclose “all investments, interests in real property, income, and business positions.” SCAG Legal Counsel shall provide guidance in meeting disclosure requirements.

**2.6.6 Disqualification:** If an Association member, employee or consultant has a financial interest in a decision affecting SCAG within the meaning of Cal. Gov. Code Section 87100 et seq., incorporated in part into section 2.6.5 of this policy, the member shall be required to disqualify himself or herself from making or participating in a decision involving SCAG, or using his or her position to influence or attempt to influence a decision involving SCAG. Members, employees and consultants shall seek guidance from SCAG Legal Counsel to determine whether recusal is required.

**2.6.7 Exception:** Cal. Gov. Code Section 87100, incorporated into Section 2.6.5 of this policy, does not prevent a person covered under this policy from making or participating in making a SCAG decision to the extent his participation is legally required for the action or decision to be made. A member, employee or consultant is “legally required to make or to participate” only if there is no reasonable alternative manner of decision making, under C.C.R. tit.2, Section 18701(a). The fact that an official’s vote is needed to break a tie does not make his participation legally required for purposes of this section.<sup>7</sup>

**2.6.8 Procedures for Disqualification from Participation in a SCAG Decision:**

(a) Once a member determines that he or she has a financial interest in a SCAG decision in violation of Cal. Gov. Code Section 87100 et seq., incorporated in part into Section 2.6.5 of this policy, the member must publicly announce the economic interest which is the subject of the actual, potential, or apparent conflict of interest, and the fact that the person covered is disqualifying himself or herself from any participation in the decision, under 2 C.C.R. Section 18700(b) (5).

(b) If the person covered is an employee rather than a member of the Association, the employee’s announcement is required to be in writing

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<sup>7</sup> Cal. Gov. Code Section 87101; “Conflicts of Interests,” prepared by the Office of the Attorney General, 1998, pp. 17-18.



and given to the official's supervisor or Executive Director, under 2 C.C.R. Section 18700(b)(5).

### **Subsection 2.7: One (1) Year Bans**

**2.7.1 One (1) Year Prohibition on Involvement with SCAG Contracts:** No former Association member, employee, or consultant shall or attempt to influence any SCAG decision directly relating to any contract where the former member, employee or consultant knows or has reason to know terms not available to members of the public.

- A. Former, non-voting committee members are subject to this prohibition to the extent that the business of the committee on which the non-voting member served, was related to subject matter of the proposed contract or other agreement between the non-voting member and SCAG.
- B. This prohibition shall apply for one (1) year from the time the member's term expires; one (1) year from the time the former SCAG employee is terminated; or
- C. one (1) year from the time a consultant's contract or other agreement expires.

**2.7.2 One (1) Year Prohibition on Consulting and Bidding:** No former Association member or employee shall for compensation participate in bidding on SCAG contracts, including providing consulting services to a bidder on a bidding process involving SCAG, and from participating in consultant work funded by SCAG or through SCAG.

- A. This prohibition shall apply for one (1) year from the time the member's term expires or one (1) year from the time the employee is terminated.
- B. This prohibition is limited only to Regional Council members, Policy Committee members, and SCAG employees.

**2.7.3 One (1) Year Prohibition on Lobbying:** No former Association member, employee or consultant for one year from the time the member's term expires, shall for compensation act as an agent or attorney for, or otherwise represent, any other person than SCAG in any formal or informal appearance before, or, with the intent to influence a decision, make any written or oral communication on behalf of any person other than SCAG to any court or any agency officer, employee, member, board or commission in

connection with any proceeding, application, request for ruling or other determination, contract, claim, controversy, legislation, or other particular matter pending before such court or before such officer, member, employee, board or commission if both of the following apply:

- A. SCAG is a party or has a direct and substantial interest.
- B. The proceeding is one in which the member, employee or consultant participated.

**2.7.4 Exemptions: The prohibitions contained in Sections 2.7.1, 2.7.2, 2.7.3 shall not apply:**

- A. to prevent a former member, employee or consultant from making or providing a statement or contract which is based on the former employee's own special knowledge in the particular area that is the subject of the statement or contract, provided that no compensation is thereby received other than that regularly provided for by law or regulation for witnesses or contractors; or
- B. to communications and contracts made solely for the purpose of furnishing information by a former member, employee or consultant if a court or state, federal or local administrative agency to which the communication is directed or with or for which a contract is made, makes findings in writing that:
  - 1. the former member, employee or consultant has outstanding and otherwise unavailable qualifications;
  - 2. the former member, employee or consultant is acting with respect to a particular matter which requires such qualifications; and
  - 3. the public interest would be served by the participation of the former member, employee or consultant; or
- B. with respect to appearances or communications in a proceeding or contracts to which a court or the Regional Council gives its consent by determining that:
  - 1. the public interest would not be harmed.

### **Section 3: Penalties**

- 3.1** Gifts accepted in violation of Section 2.1 of this policy shall be returned. Additionally, members, consultants and employees subject to the Political

- Reform Act (Cal. Gov. Code Section 87100 et seq.) who violate state gift restrictions under Gov. Code Section 89521, may be subject to a civil action brought by the Fair Political Practices Commission for up to three times the amount of the unlawful gift. Members shall seek guidance from the Association Legal Counsel to determine whether a gift or gratuity violates this policy, state or federal laws.
- 3.2** Contracts made in violation of this policy shall be void and unenforceable.
- 3.3** Violation of this policy is grounds for termination of an Association employee.
- 3.4** **Willful violations:** Any Association member, employee or consultant found guilty of willfully violating any provisions of Cal. Gov. Code Section 1090 et seq., incorporated in part into Section 2.6.4 of this policy, is punishable by a fine of not more than \$1,000 or imprisonment in state prison. Additionally, such an individual is forever disqualified from holding any office in this state. (Cal. Gov. Code Section 1097.) When a state or local government agency is informed by affidavit that a member, employee or consultant has violated Section 1090, the agency may withhold payment of funds under the contract pending adjudication of the violation (Cal. Gov. Code Section 1096).

**ARTICLE V: SCAG POLICY RELATED TO INDIVIDUAL STAFF MEMBERS  
COMMUNICATIONS WITH THE REGIONAL COUNCIL OR  
POLICY COMMITTEES** (Amended May 8, 2008; Adopted  
December 14, 2006)

In the event any member of the SCAG Regional Council, Administration Committee or Policy Committee receives a communication from a SCAG staff member (whether orally or in writing) setting forth a complaint about SCAG management or other staff member(s), or stating a concern regarding personnel or other policies, procedures, or actions taken by SCAG management, the member shall refer the matter in writing directly to the Executive Director and the Human Resources Manager for investigation and corrective action if necessary, with a copy to the President. The Executive Director and the Human Resources Manager shall investigate the issue and report the results of the investigation and any proposed corrective action to the member and the President within 10 days of receipt of the referral.

Notwithstanding the foregoing, if the concern raised by the staff member involves a matter relating to the Executive Director or the Human Resources Manager personally, the member may refer the issue directly to the President and the Administration Committee which shall investigate the matter and, after consulting with counsel, decide the corrective action to be taken, if any, and report the results of the investigation to the Regional Council.

This policy is in no way intended to interfere with or prevent individual staff members from exercising their right to contact or communicate with individual members of the Regional Council or Policy Committees.

## **ARTICLE VI: STIPENDS, EXPENSE REIMBURSEMENTS, AND OTHER GENERAL FUND EXPENDITURES**

### **Section 1: Regional Council Stipend and Meeting Expense Policy** (Amended September 14, 2006, July 6, 2006, April 7, 2005, November 1, 2001, July 10, 1997, November 4, 1993; Adopted July 1, 1993)

- 1.1** Regional Council (RC) members shall receive a minimum \$120 stipend for attendance and travel to SCAG sponsored meetings or other SCAG business as authorized by the Regional Council. Regional Council members may also receive reimbursement for public transit expenses or a mileage reimbursement based on travel distance between the member's seat of government and SCAG's downtown Los Angeles offices. Parking at SCAG's downtown Los Angeles office will be validated for RC Board members.
- 1.2** For attending meetings on behalf of SCAG at locations other than the SCAG Headquarters, RC members are eligible to receive the minimum stipend and mileage reimbursement for actual miles traveled and actual parking expenses. Mileage will be reimbursed at the prevailing federal reimbursement rate. RC Members must complete an expense reimbursement form and attach the signed meeting attendance sheet and parking receipt.
- 1.3** RC officers are eligible to receive up to eight (8) per diem stipends per month.
- 1.4** RC members are eligible to receive up to six (6) per diem stipends per month.
- 1.5** The President may authorize up to two (2) additional per diem stipends per month for RC members.
- 1.6** Nine (9) or more per diem stipends per month for Regional Council officers and members require Regional Council approval.
- 1.7** Regional Council members shall receive a stipend for attending a SCAG meeting pursuant to a signature on the meeting attendance form or other record of attendance provided pursuant to Sections 1.9 or 1.11 below.

- 1.8 Regional Council members will receive a stipend for attending the Regional Council meeting pursuant to signing both policy committee and Regional Council attendance forms. A Regional Council member may request from the President an excused absence from either meeting. The President will inform the Executive Assistant to the Regional Council of the approved absence and authorize payment of the stipend.
- 1.9 Regional Council members are eligible to receive a stipend to attend special meetings scheduled by the President via phone or videoconference. Staff shall record the names of the Regional Council members in attendance for the record and submit a copy to the Executive Assistant to the Regional Council for payment of the stipend.
- 1.10 Elected official representatives appointed by the President to SCAG policy committees or task forces shall serve with compensation. Elected official representatives to SCAG policy committees or task forces are eligible to receive a \$120.00 stipend for up to four (4) meetings per month pursuant to signing the meeting attendance form.
- 1.11 Elected official representatives periodically attending SCAG task force meetings by videoconference from the SCAG remote site are eligible to receive a stipend pursuant to signing the meeting attendance form and faxing a copy to the Executive Assistant to the Regional Council. Elected officials shall not attend policy committee or Regional Council meetings by videoconference.
- 1.12 Food will be provided for Regional Council, Subcommittee, and Task Force meetings, and other meetings that include elected officials, in accordance with SCAG administrative policies and procedures. Except for Regional Council meetings, meetings should be scheduled if at all possible as to avoid the lunch hour.

## **Section 2: Regional Council Travel Policy**

(Amended April 7, 2005, September 2, 2004, November 1, 2001;  
Adopted June 6, 1996)

- 2.1 The Regional Council shall authorize in advance member business travel for purposes of officially representing SCAG in connection with an approved SCAG program, policy, plan, or as a legislative advocate on behalf of

SCAG's approved legislative program. The Regional Council may authorize payment of SCAG business travel in conjunction with Regional Leadership Development Programs. Prior approval is not required for travel to regular meetings of the Regional Council, General Assembly, Regional Council Retreat, NARC, CALCOG, Western COG, the MSRC, and RTAC.

- 2.2** The President is authorized to approve Regional Council member travel that is urgent, necessary, and required for the orderly conduct of the affairs of SCAG between regularly scheduled meetings of the Regional Council.
- 2.3** The Regional Council will authorize payment of SCAG business travel costs including, but not limited to, airfare, ground transportation, and meeting registration fees. Meals, lodging, and mileage will be paid consistent with federal per diem rates and reimbursement policies. Stipends will be paid for actual business days and will exclude travel days.
- 2.4** Any Regional Council member or elected official representative to policy committees that is required to travel 75 miles or more one way to attend a SCAG meeting at the main SCAG office in Los Angeles or are on the Administration Committee can be reimbursed for overnight lodging costs not to exceed \$150.00 + taxes. This provision does not apply to attendance at the General Assembly or retreat. Attendance at those events will be reimbursed based on the venue. Regional Council members and elected official representatives must make their own travel arrangements and submit receipts to the Executive Assistant for reimbursement. The President is authorized to approve lodging costs above the \$150.00 diem rate if the government rate is not available and the member or elected official representative has made the reservation two weeks in advance.
- 2.5** Requests for travel reimbursement must be received by SCAG staff by July 31<sup>st</sup> of the fiscal year in which the authorized travel costs were incurred.

### **Section 3: Travel Reimbursement Policy for Appointed Committee Members** (Adopted November 6, 2003)

SCAG will reimburse travel expenses for Appointed Committee Members in accordance with the following:

#### **3.1 Eligibility**

- A. Members of SCAG committees and task forces, appointed by the President of the Regional Council who are not working for public agencies and not being otherwise reimbursed.

- B. The meeting must be held at SCAG offices.
- C. Reimbursement is limited to members who are not working for or receiving a stipend from a public agency, and are not Regional Council members or subregional representatives.

### **3.2 Reimbursement**

- A. Costs associated with the following:
  - 1. Mileage (round-trip);
  - 2. Public Transit (round-trip); and
  - 3. Parking (validation)
- B. Reimbursement must be in accordance with Caltrans and SCAG travel policies, including requirement of submitting supporting documentation.



## **ARTICLE VII: REGIONAL COUNCIL POLICIES ON MEMBERSHIPS AND LEADERSHIP DEVELOPMENT**

### **Section 1: SCAG Membership in Advocacy Groups** (Adopted October 5, 2000)

SCAG membership in other organizations shall be limited to those Statewide and national groups and organizations that support and implement the Association's council of governments and metropolitan planning organization institutional goals and policies.

### **Section 2: Policy for Regional Council Leadership Development** (Adopted November 2, 2000)

The following programs are recognized as formally organized leadership development programs for SCAG Regional Council members. Current program and tuition information will be provided by SCAG staff upon request. Additional programs will require Regional Council authorization.

#### **A. Southern California Leadership Network (SCLN)**

The SCLN provides the Leadership Southern California (LSC) Program for individuals who hold active leadership roles of regional significance in their civic and/or professional lives. The LSC Program has trained and developed a distinguished alumni network of exemplary community, business, and government leaders, including many Regional Council members. All Regional Council members are invited to express their interest in participating in the LSC Program.

#### **B. UCLA Policy and Research Symposium**

The UCLA Extension Public Policy Program sponsors an annual symposium at UCLA's Conference Center at Lake Arrowhead. The symposium is part of a series entitled *The Transportation, Land Use and Environment Connection*. This is an invitation-only symposium. SCAG makes an annual contribution to be a co-sponsor. SCAG receives three (3) invitations. These invitations are offered to the Chairs of the Policy Committees.

#### **C. SCAG Regional Leadership Academy**

The Regional Leadership Academy is designed specifically for the elected officials who serve as members of the SCAG Regional Council and its policy committees. The program offers new approaches aimed at enhancing leadership skills and expertise in regional planning.

**ARTICLE VIII: REGIONAL COUNCIL APPROVALS FOR  
PROCUREMENTS; PROCUREMENT POLICIES; AND  
APPROVALS FOR GRANT APPLICATIONS**

**Section 1: SCAG Contract Approval Threshold**

(Amended September 14, 2006, May 5, 2005 and July 6, 2000; Effective May 2, 1996)<sup>8</sup>

- 1.1** Any SCAG contract valued at or above \$250,000 must be approved in advance by the Administration Committee and Regional Council. In order to ensure accurate reporting to the Administrative Committee and Regional Council, contracts under \$250,000 will be reported (on the respective agendas) under "Receive and File."
- 1.2** The Regional Council delegates authority to the Executive Director or his designee to approve and sign purchase orders and contracts under \$250,000.
- 1.3** The threshold for Administration Committee and Regional Council approval of contract amendments is \$75,000.

**Section 2: Procurement of Recycled Products**

(Adopted November 5, 1998)

- 2.1** SCAG will take a leadership role not only in recycling its waste products but also in the purchase of reusable and recycled products for use in the delivery of SCAG's services.

**Section 3: Grant Application Approval Process**

(Adopted February 1, 2001)

- 3.1** The Executive Director or his designated alternate is authorized to submit SCAG grant applications to the funding agencies prior to SCAG Regional Council approval, with the understanding that the applications are subject to review and approval at a subsequent meeting of the Regional Council.

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<sup>8</sup> At the May 2, 1996 meeting, staff was directed to obtain Administration Committee and Regional Council approval of all SCAG contracts and purchases of goods and services more than \$5,000. At the July 6, 2000 the Regional Council approved the Best Practices Task Force Recommendation relating to raising the threshold for approval of contracts (purchases) from \$5,000 to \$25,000. At the May 5, 2005 meeting, the Regional Council approved raising the threshold for approval of contracts from \$25,000 to \$250,000.

## **ARTICLE IX: POLICY REGARDING PARTICIPATION IN COMPETITIVE PROCUREMENT** (Adopted September 2, 1996)

### **Section 1: Purpose of Policy**

From time to time the Association may be invited, or may wish to participate in a competitive procurement. The purpose of this policy is to establish guidelines for such activities.

### **Section 2: Guiding Principles**

The following guiding principles shall govern staff, committee, and Regional Council activities in this arena:

- 2.1** The purpose of seeking additional funding is to broaden the funding base to enable the Association to effectively fulfill its basic mission, not to add staff.
- 2.2** In seeking new funding, the Association should concentrate on areas of core competence.
- 2.3** The Association should respond to opportunities to make services and expertise available to a wider audience, where the Association possesses special and/or unique competence. This can result in increased efficiency and overall cost reductions for the Association, its constituent members, and the private sector.

### **Section 3: Definition of “Competitive Procurement”**

A competitive procurement is defined as a request for proposals, or solicitation for bids, issued by a public or private entity; is open to public and private organizations; is competitive, based on quality of the proposal, price, etc.; and will be executed through a contractual arrangement. As used here, “competitive procurement” excludes such programs as AB 2766, Federal and state grants (whether or not selected through a competitive process), government agency ‘calls for projects’; or other procurement where government agencies are specifically invited or encouraged to participate.

### **Section 4: Benefits to the Association**

Selective participation in competitive procurement can benefit the Association in the following ways:

- 4.1 Provide funding source to perform work which is consistent with the mission, but for which normal grant funds are not available.
- 4.2 Provide funding and professional challenge to attract and retain a highly qualified staff.
- 4.3 Develop new products, improve/enhance existing products and better serve Association members and the Region.
- 4.4 Upgrade skills and provide professional development opportunities for staff.
- 4.5 Provide discretionary funding, free from grantor restrictions, to improve programs and services to members.

### **Section 5: Conflicts of Interest**

Staff, members of advisory and policy committees, and members of the Regional Council must be especially vigilant to conflicts of interest situations inherent in competitive procurement situations. The following policies shall apply:

- 5.1 No staff member, member of an advisory or policy committee, or member of the Regional Council shall participate in the review, discussion, or voting on a project or proposal in which they have a financial interest.
- 5.2 No staff member, member of an advisory or policy committee, or member of the Regional Council shall participate in the review, discussion, or voting on a project or proposal if they are involved in the selection and/or scoring of projects by another agency.
- 5.3 Rules 9.2 through 9.5 of the Association's Personnel Rules (February 1996) apply to staff, members of policy and advisory committees, and Regional Council members involved in any competitive procurement.
- 5.4 Article 4, Sections 1090 through 1098 of the Government Code apply to all members of advisory and policy committees, or members of the Regional Council involved in competitive procurement, whether or not they are elected officials.

## **Section 6: General Policies**

- 6.1** It is the policy of the Association to aggressively pursue grant funds from all levels of government that are earmarked or available for any purpose consistent with the Association's mission and directed from the Regional Council.
- 6.2** It is the policy of the Association to aggressively compete for funds in programs such as AB 2766, which are open to both private and public sector competition. Proposed applications shall be approved by the Administration Committee and the Regional Council prior to submittal.
- 6.3** It is the policy of the Association to aggressively pursue mutually-beneficial, non-competitive intergovernmental agreements or contracts. Such agreements or contracts must be approved by the Administration Committee and the Regional Council prior to execution.
- 6.4** It is the policy of the Association to respond to "open" RFP's, i.e., competitive procurement, that are consistent with the mission of the organization, only in accordance with the policies and procedures herein.

## **Section 7: Procedural Requirements**

- 7.1** Employees involved in work on any proposal in response to a competitive procurement opportunity must do so on their own time, and/or must be compensated from funds designated for that purpose (i.e., from non-public funds).
- 7.2** Prior to beginning work any proposal or bid, staff shall review the procurement, and SCAG's proposed response, with the officers of the appropriate policy committee and the officers of the Administration Committee. To facilitate the review, staff will complete a pre-proposal evaluation checklist included as part of SCAG's administrative policies and procedures.
- 7.2** Once staff begins work on a proposal, the appropriate policy committee and the Administration Committee will be briefed at the next scheduled meeting.
- 7.3** If SCAG is selected to perform the work, Administration Committee approval is required prior to execution of the contract.

## **ARTICLE X: SCAG STATEMENT OF INVESTMENT POLICY**

(Amended August 2, 2007; Adopted March 6, 1997)

### **Section 1: Purpose**

This **SCAG** Statement of Investment Policy is intended to provide standards and guidelines for the prudent investment of funds by **SCAG** in conducting its investment and cash management responsibilities. The goal is to strengthen the overall financial condition of **SCAG**, while earning a return on our investments with safety and liquidity.

### **Section 2: Objective**

The Policy is designed to achieve and maintain adequate working capital to support our Planning and Support Operations and to grow our available resources and funds to the fullest extent possible. **SCAG** attempts to obtain a market rate of interest without assuming undue risk to principal. The objectives of such investments is: 1) the long term preservation of capital, 2) adequate cash resources to meet our short term financial needs for liquidity; and 3) to earn a competitive rate of return on capital.

### **Section 3: Scope**

This investment policy applies to activities of **SCAG** with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, and Trust Funds, and any other Funds that may be created from time to time.

### **Section 4: Investment Responsibility**

Investments are the responsibility of the Chief Financial Officer and the Manager of Accounting. This includes the authority to select investments, engage professional services, to open accounts with banks, brokers and dealers, to establish safekeeping accounts or other arrangements for the custody of securities, and report to oversight bodies. Those persons authorized to execute transactions include: 1) Chief Financial Officer or his/her director designee, 2) Manager of Accounting or his/her staff designee, and 4) those specifically approved and added by the Administration Committee (**AC**) of the Regional Council (**RC**). Brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions.

### **Section 5: Internal Controls**

The Chief Financial Officer and the Manager of Accounting shall establish the investment function so that specific responsibility for the performance of duties are assigned with a clear line of authority, accountability and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliation" are to be handled by separate persons to reduce the risk that a person is in a position to conceal errors or fraud in the normal course of duty.

While no internal control system, however elaborate, can guarantee absolute assurance that assets are safeguarded, it is the intent of the internal control system to provide reasonable assurance that management of the investment function meets our objectives. These internal controls shall be reviewed annually by the independent auditor.

### **Section 6: Reporting**

The **AC** shall be responsible for reporting the status of investments to the **RC** on a quarterly basis. Reports are to be submitted by the Chief Financial Officer to the **AC** and/or the Investment Subcommittee following the end of each quarterly period. These reports shall show the type of investment, institution, face amount, interest rate, date of maturity, compliance to the investment policy, a verification of adequacy of working capital to meet our operating needs and market value for all investments. The reports shall appear in the consent calendar of all agendas.

### **Section 7: Prudence**

The standard of prudence to be used by investment officials shall be the "prudent person" and shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs.

### **Section 8: Authorized Investments**

#### **(A) Surplus Funds**

Funds may be invested in any instrument allowable by the State of California Government Code Section 53600 et seq. so long as the investment is appropriate when **SCAG's** investment objectives and policies are taken into consideration. Within the context of the limitations, the following are authorized:

- US Treasury Obligations (Bills, Notes and Bonds)
- US Government Agency Securities and Instrumentality's of Government Sponsored Corporations

- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Intermediate Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- Los Angeles County Investment Fund (County Pool)
- Shares of Beneficial Interest issued by a Joint Powers Authority organized pursuant to California Government Code Section 6509.7 that invests in the securities and obligations authorized in Section 53601 (a) through (n).
- Other investments that are, or may become, legal investments through the State of California Government Code.

### **B. Other Post-Employment Benefits Funding**

All funding approved for this purpose shall be invested in the irrevocable trust for post-employment benefits administered by the California Public Employees Retirement System (CalPERS), also known as the "Prefunding Plan."

### **C. Supplemental Defined Benefit Pension Plan Funding**

All funding approved for this purpose shall be invested in an annuity selected according to criteria prescribed by SCAG procurement policies and SCAG's financial and operational needs.

## **Section 9: Prohibited Investments**

**SCAG** shall not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. **SCAG** shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

## **Section 10: Investment Criteria**

Criteria for selecting investments and order of priority are:

### **A. SAFETY**

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. **SCAG** shall only invest in those financial instruments whose safety and quality comply with State law and SCAG's risk tolerance.

### **B. LIQUIDITY**



This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Since liquidity is an important investment quality, especially when the need for immediate access to funds may occur unexpectedly, potential fluctuations in market value are to be an important consideration when selecting an investment. SCAG's portfolio shall provide for adequate liquidity as indicated by SCAG's cash projections.

**C. YIELD**

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return. SCAG shall attempt to maximize return consistent with criteria A and B above.

**Section 11: Diversification**

**SCAG** will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. Diversification strategies shall be established within the guidelines of Government Code Section 53600 et seq., and periodically reviewed.

**Section 12: Investment Pools**

**SCAG** has determined that use of investment pools is a practical investment option. **SCAG** will utilize guidelines established by the California Municipal Treasures Association and California Society of Municipal Finance Officers to ensure the safety of investment pools.

**Section 13: Maturity Limitations**

Every investment instrument purchased must have a term remaining to maturity of five years or less, unless RC approval was obtained three months in advance.

**Section 14: Safeguarding of Assets and Records**

Securities purchased from broker/dealers shall be held in third-party safekeeping in **SCAG's** name and control, whenever possible. Monthly statements received from the financial institution are reconciled to the investment reports by the Senior Accountant. Review of safety, liquidity, and yields of investment instruments; and reputation and financial condition of investment brokers is to be done by the **AC**. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will also be performed by the **AC**.

**Section 15: Qualified Institutions**

If SCAG decides not to use investment pools, **SCAG** shall prepare and maintain a listing of financial institutions which are approved for investment purposes. In addition, a list will be maintained of approved broker/dealers selected by credit worthiness, who maintain an office in the State of California. All financial institutions and broker/dealers who desire to become bidders for investment transactions must supply the following: audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read this Investment Policy. An annual review of the financial condition and registrations of qualified bidders will be conducted by the **AC**.

### **Section 16: Monitoring and Adjusting the Portfolio**

**SCAG**, will monitor the contents of the portfolio, the available markets and the relative values of competing instruments and will adjust the portfolio accordingly based on our Investment Policy. Investment counselors may be engaged to assist in the performance of this work with the approval of the **AC**.

### **Section 17: Modification and Legislative Changes**

The **AC** shall be responsible for modifying investment guidelines as conditions warrant and submit same for re-approval by the **RC** on an annual basis. This annual approval may be on the consent agenda unless there are amendments to this Policy. Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into **SCAG's** Statement of Investment Policy and supersede any and all previous applicable language.

### **Section 18: Segregation of Responsibilities**

<b>A. FUNCTION</b>	<b>B. RESPONSIBILITY</b>
Develop Statement of Investment Policy	Chief Financial Officer Manager of Accounting
Recommend modifications to Statement of Investment Policy	Chief Financial Officer Legal Counsel Manager of Accounting Investment Subcommittee
Approve Statement of Investment Policy and appointment of Oversight Committee	Administration Committee
Adopt Statement of Investment Policy	Regional Council

Select Investments	Chief Financial Officer Manager of Accounting Outside Investment Manager
Approve transactions	Chief Financial Officer or Manager of Accounting
Execute investment transactions and fax completed trade information to SCAG	Outside Investment Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to SCAG investment records)	Senior Accountant
Record investment transactions into SCAG's accounting records	Senior Accountant – General Ledger
Reconcile investment records to accounting records and bank statements	Senior Accountant – General Ledger
Security	Time Certificates of Deposit will be maintained in SCAG's safe in the care of the Manager of Accounting. All other investment securities will be held in safekeeping in the trust department of SCAG's Depository bank, or other third party custodian as designated by the Chief Financial Officer.

## Section 19: Administration Committee and Investment Subcommittee

The **AC** is empowered to review and make recommendations on the Investment Policy and Investment Strategy of **SCAG** to strengthen the internal controls of the management of funds. The **AC** may, in its discretion, establish an Investment Subcommittee to assist the **AC** to achieve the goals and objectives of this Investment Policy.

### 19.1 Purpose of the Investment Subcommittee

- A. To review and make recommendations about this Investment Policy and Investment Strategy.
- B. To review investments on a periodic basis and to report any exceptions to this Investment Policy immediately to the RC.
- C. To be responsive to AC requests.

## **19.2 Membership**

The total membership shall consist of five members: 1) **AC** Chairman and 2 Members (selected by the **AC** members), 2) Chief Financial Officer, and 3) Manager of Accounting.

## **19.3 Functions and Duties**

- A. Annually: To review and approve the Statement of Investment Policy; and  
Review the financial condition of broker/dealers and financial institutions.
- B. Quarterly: To review investments made during the pervious quarterly period; and  
Provide a status report to the **AC**.
- C. Monthly: To develop and carry out the ongoing investment strategy in accordance with the Investment Policy; and  
Recommend amendments to the Statement of Investment Policy.
- D. The function of the **AC** and the Investment Subcommittee is to provide policy guidance that gives the operating staff standards and guidelines to work within on a day-to-day basis. By this, it is meant that each individual trade need not be approved by this Committee at the time it is transacted, provided that it falls within the scope of the Statement of Investment Strategy.

**ARTICLE XI: REGIONAL COUNCIL STRATEGIC PLAN, GOALS AND STRATEGIES<sup>9</sup>** (Amended April 3, 2008, February 5, 2004 and November 7, 2002; Adopted October 8, 1998)

**Section 1: Regional Leadership**

**1.1 Goal One—Pre-Eminent Regional Agency**

The Regional Council shall strive to maintain SCAG's position as the pre-eminent regional institution by providing leadership and creating consensus on a vision of the region's future.

**A. Strategy**

The Regional Council, in collaboration with SCAG's member agencies and partners, shall provide the leadership needed to develop through consensus a vision of Southern California's future. This process would involve identifying both short and long term objectives for addressing the region's most pressing economic, social and environmental issues. As a part of this effort, SCAG should develop and foster a regional dialogue to further the formation of the consensus vision that is a critical component of the leadership process. SCAG will also endeavor to place offices in each of the counties within the SCAG region (which may include sharing office space with SCAG's member agencies and partners) in order to increase opportunities for consensus building as well as to assist in the local-level implementation of SCAG's regional plans and policies.

SCAG's extensive database on demographic and economic trends, work relating to its Growth Visioning process, and its Regional Transportation Plan (RTP) are some of the agency's vital organizational and planning assets that should be used to support the consensus building process.

**1.2 Goal Two—A Voice for the Region**

The Regional Council shall provide leadership in developing and articulating positions on critical regional issues in Sacramento and Washington, D.C.

**A. Strategy**

The Regional Council shall, in collaboration with SCAG's partners, take the lead in the development and management of a process that will

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<sup>9</sup> Introductory and background information contained in the "SCAG Ten-year Strategic Plan" are omitted.

allow the formation of a regional consensus on issues critical to the future development of Southern California. The advocates of SCAG and its partners will articulate the positions that emerge from this process in a coordinated manner in both Sacramento and Washington, D.C.

## **Section 2: Financial Stability and Independence**

### **2.1 Goal One—Ensure Fiscal Stability and Independence**

The Regional Council shall ensure SCAG's fiscal stability and independence by continuing to improve its management practices. It will also seek discretionary funding to support its programmatic aspirations and the aspirations it shares with its partners in serving the citizens of the Southern California region.

#### **A. Strategy**

To ensure its fiscal independence and stability in the short and long term, the Regional Council shall require that SCAG prepare both a comprehensive short-term (one-year) Business Plan, and a comprehensive long-term (three-year) Fiscal Plan to be updated on an ongoing basis. The Business Plan shall have quarterly milestones, and the Fiscal Plan shall have semi-annual milestones.

SCAG shall work with its federal funding partners to restructure its annual federal comprehensive planning grant, the primary source of funding for its federally mandated regional planning programs, to take advantage of the flexibility of the portion of the grant made available from the Federal Transit Administration.

The Regional Council shall enter into negotiations with the county transportation commissions (CTCs) to develop an annual work program that furthers the objectives of both SCAG and the commissions. A negotiated work program might include the development of land use strategies conducive to supporting public transit services. The CTCs' planning services could be supported by their Transportation Development Act (TDA) revenues, and SCAG may provide these regional planning services in collaboration with the subregional entities.

Additionally, the Regional Council, in collaboration with the CTCs, may seek legislation to raise the statutory cap on TDA revenues available to SCAG to an amount consistent with the organization's roles and responsibilities that support the development of regional mass transportation services.

Should the local sales tax be increased in the future, the Regional Council in collaboration with its partners and the other regional planning agencies in California, shall seek to dedicate a portion of the additional revenue to carry out its statutorily defined mission.

Lastly, the Regional Council shall increase its members' dues at least consistent with inflation. This will ensure that SCAG's general fund revenue will maintain its purchasing power consistent with economic trends.

### **Section 3: Regional Infrastructure Financing Mechanisms**

#### **3.1 Goal One—Develop Regional Infrastructure Finance Mechanisms**

The Regional Council shall oversee the development of a package of revenue mechanisms and strategies to finance major regional projects. It shall seek legislation enabling SCAG to employ these mechanisms to fund projects that are contained in the Regional Transportation Plan and other infrastructure plans.

##### **A. Strategy**

The Regional Council, acting through the Highways and Finance Task Force, shall convene an expert panel to assist in identifying new funding mechanisms that are appropriate for SCAG. The panel shall develop an inventory of potential revenue mechanisms to finance major regional projects. The panel should include representatives from the public finance community who are knowledgeable about innovative project financing strategies; engineering and construction firms that have participated in major infrastructure projects utilizing various project financing techniques; law firms familiar with the potential legal issues that might be encountered by the various financing strategies; and the academic community.

The advice and findings developed by the expert panel should be incorporated into legislation and included in the *2004 Regional Transportation Plan* for projects where specific project funding strategies are appropriate.

### **Section 4: Encourage and Foster Regional Partnerships**

#### **4.1 Goal One — Enhance the Effectiveness of Subregional Relationships**

The Regional Council shall provide the leadership necessary for SCAG to enhance its relationships with the county transportation commissions (CTCs); the subregional organizations and councils of governments; and relevant special districts.

#### **A. Strategy**

The Regional Council has recognized that agency relationships require attention at the policy level. It has therefore established the Regional/Subregional Relations Task Force to facilitate the development and the effectiveness of the subregions. To achieve the goals of the Regional Council, the Regional/ Subregional Relations Task Force should therefore initiate, support, manage, and complete the following tasks with the full involvement and collaboration of all of SCAG's subregions no later than six months after the adoption of these strategies:

1. Identification of the roles, authorities, responsibilities of, and relationships between SCAG and the subregions in the collaborative planning and implementation process.
2. Identification of the subregion-to-subregion roles, authorities, responsibilities and relationships within the SCAG region.
3. Facilitate the effectiveness of those subregions which have not organized themselves into permanent institutions (such as a council of governments), with the objective of bringing about an effective equalization of the capacities of all the subregions.

A dedicated staff person should be assigned by SCAG's administration to manage interagency relations and programs. This position would serve under the direction of the Executive Director or the Deputy Executive Director, to coordinate, manage, and nurture the relationships, processes and programs in the SCAG- sub-region arena. This position should also serve as the point person in the relationships and programs of mutual interest with the CTCs and the subregional organizations and councils of governments.

### **4.2 Goal Two—New Partnerships Need to be Encouraged**

The Administration Committee of the Regional Council will initiate, support, manage, and complete an inclusive, collaborative effort to



create new partnerships with the CTCs, Caltrans and the relevant special districts within the region.

**A. Strategy**

1. The Administration Committee shall update the 1979 Memorandum of Understanding (MOU) executed between SCAG, the CTCs and Caltrans in order to achieve consistency with the current legal framework and interagency requirements, while also reflecting a new and mutually supportive relationship.
2. The Administration Committee shall develop a mechanism for inclusion of relevant special districts, including school districts, into the SCAG structure, including participation on SCAG committees and task forces. In addition, SCAG shall seek to engage in ongoing contractual agreements with special districts in order to provide demographic and economic information, as well as other planning support services that assist districts to address regional development issues. All costs associated with these services would be fully recovered.

**4.3 Goal Three—Enhance Interregional Cooperation**

The Regional Council shall work to enhance cooperation and collaboration among contiguous regional planning agencies, as well as relevant state agencies.

**A. Strategy**

The Regional Council shall initiate and pursue efforts to reach agreements that underscore the need for regular meetings between the Regional Council and its neighboring regional governing boards and relevant state agencies. The purpose of the regular meetings would be to identify common issues and prepare joint strategies for addressing those issues. While the process may commence with an MOU and an informal structure, it is ultimately desirable to organize these activities through a formalized process, perhaps legislatively mandated, with support from the state.

**4.4 Goal Four—Improve Public Involvement in the Regional Planning Process**

The Regional Council shall encourage and cultivate inclusive and meaningful public involvement in its planning processes and decision-making

to support the implementation of the Regional Council's policies and projects.

**A. Strategy**

The Regional Council shall facilitate a consultative process with the larger regional community that will provide SCAG with advice on regional issues and trends. At the center of the consultative process shall be the ability of SCAG task forces to enlist members of the general public to advise them in the following way:

1. Members of the general public who are nominated by a SCAG task force and are appointed by the SCAG President may sit on a task force in an ex officio capacity for a specified term.

**4.5 Establish a Role for Native American Tribal Councils**

The Regional Council shall develop a means for achieving Native American Tribal Council representation within its regional planning process.

**A. Strategy**

To effectuate participation by federally recognized Tribal Councils, SCAG shall create a Native American Tribal Council Advisory Board, which shall include all federally recognized Tribal Councils within the SCAG region. The following options are proposed to organize their participation:

1. The Advisory Board may serve as a standing Native American advisory body to the Regional Council.
2. The Advisory Board could continue to serve as a Native American advisory body to the Regional Council, but it could also select a representative to serve as a voting member on the Regional Council, and thereby assist the Regional Council in making recommendations on the nature of Native American relations with the Council.

**Section 5: Regional Planning Needs to be Fostered**

**5.1 Goal One — Create a Regional Comprehensive Plan to Guide Regional Development**

The Regional Council shall oversee the preparation of a comprehensive overview of the region's economic, social and environmental future with special attention being given to housing and transportation.

**A. Strategy**

SCAG's *Regional Comprehensive Plan and Guide* will be renamed the Regional Comprehensive Plan and updated at regular intervals to reflect the most current information pertaining to all elements of the document. The Regional Comprehensive Plan will emphasize the interdependence and ramifications of the following components of regional development:

1. Regional Mobility
2. Affordable Housing
3. Environment Quality
4. Water Supply and Quality
5. Land Use and Land Capacity
6. Economic Development
7. Air Quality
8. Open Space and Conservation
9. Public Finance

The Regional Council will work to ensure that the findings of the Growth Visioning process are incorporated into the revised Regional Comprehensive Plan. Moreover, the Plan shall serve as a means to focus SCAG's own decision-making. The Plan will allow regional programs and projects to be evaluated in terms of the Plan and its goals. Finally, the Plan should be widely disseminated among the local agencies, key private sector decision-makers and the media so that it is available in different venues to provide useable information regarding the growth and development of the region.

**5.2 Goal Two—Enhance the Linkage between Regional Policies and Incubator Projects**

The Regional Council shall take responsibility to ensure that SCAG will conceptualize and develop incubator projects and assist organizations to

implement programs that are consistent with regional goals, policies and plans.

**A. Strategy**

The Regional Council shall create a framework capable of providing long-term support to projects for which it has served as an incubator. These programs will be developed in accordance with the regional policies adopted by the Regional Council and ultimately be transferred to the implementing agencies.

SCAG has successfully served as an incubator to a number of important infrastructure projects in the past, such as the Alameda Corridor Project and Metrolink, both of which are now independent operating agencies

To strengthen the incubator concept, a management framework and process shall be developed and adopted by the Regional Council that allows the Council to monitor the evolution of an incubator project and its spin off to an implementing entity that will ensure that the project's continued development is consistent with the regional policies adopted by the Regional Council. This framework shall include a set of processes and procedures, including evaluation and feedback mechanisms, to allow for Regional Council review and monitoring.

**5.3 Goal Three—Develop a Regional Repository of Data**

The Regional Council shall ensure that SCAG creates and operates a regional economic and demographic center, which shall contain accurate and timely information regarding demographic and economic trends occurring throughout the region. The center should be readily available to its partners, the media and the public.

**A. Strategy**

SCAG shall continue its efforts to collect, analyze and disseminate accurate information and data to its regional partners. Such information shall be provided to the regional partners at the beginning of each planning cycle, and continue as needed throughout the planning process. SCAG's protocols shall emphasize a bottom-up process, reaching agreements with the subregions on a uniform methodology to be adhered to by SCAG and all its subregions in the data collection, analysis and management.

SCAG shall additionally create the capacity to operate a regional economic and demographic center available to the public for the purpose of:

Packaging and selling targeted information and data to specific customer groups or agencies. Efforts associated with data dissemination to the broad market shall be conducted in a manner that ensures full cost recovery.

SCAG shall ensure that membership in its technical advisory committees (The Forecasting Technical Task Force and the Data Task Force) continue to include experts who are highly engaged and demonstrate interest in the SCAG planning processes.

In order to manage the cost of implementing this strategy, SCAG should proceed incrementally to achieve the technical mastery required to implement this strategy. Partnering with other agencies should be considered as a means of funding this program as well as providing information on the basis of full cost recovery.

## **Section 6: Strategic Planning is to be an Ongoing Organizational Process**

### **6.1 Goal One—Strategic Planning Is a Continuous Process**

The Regional Council shall ensure that SCAG's management will practice strategic planning concepts on a continuing basis, including organizational analysis, review of management processes, developing feedback processes and the installation of fiscal control systems.

Strategic planning will be conducted by the Regional Council and SCAG management as a dynamic process, requiring continuous evaluation and tactical modifications, depending upon changing environmental factors and conditions.

#### **A. Strategy**

The Regional Council in collaboration with SCAG's management shall annually review the status of the *Strategic Plan's* implementation at the outset of the annual budget cycle. At the time of the first review of the Strategic Plan a schedule with benchmarks for implementing the plan shall be adopted by the Regional Council. A periodic review is necessary because the regional context for issues is ever changing depending on socio-economic trends, environmental concerns, the changing roles and responsibilities of local and regional institutions and other similar events. Consequently, SCAG must evolve with the

environment in which it operates and this necessitates a continuous strategic assessment on the part of the Regional Council and SCAG's management.

**ARTICLE XII: REGIONAL COUNCIL LEGISLATIVE PROTOCOL**

(Amended May 8, 2008 and December 1, 2005; Adopted December 4, 2003)

**Section 1**

- 1.1 SCAG employs the services of contract lobbyists in Washington, DC and Sacramento.
- 1.2 Contacts with the federal and state lobbyists are coordinated through the Director of Government and Public Affairs.
- 1.3 The lobbyists work with SCAG to implement the Legislative Program and to coordinate visits to Washington, DC and Sacramento by Regional Council Members for the purpose of meeting with elected and appointed officials of the executive and legislative branches of the federal and state government.
- 1.4 The budget for Government Affairs advocacy activities is provided through General Fund revenues. Federal law prohibits the use of federal funds for lobbying purposes.
- 1.5 Retainers and expenses for both the federal and state legislative advocates are contained within the annual Overall Work Program adopted by the Regional Council.
- 1.6 SCAG's advocacy efforts are coordinated with the county transportation commissions, cities, counties and subregional organizations to ensure the maximum efficacy.
- 1.7 The Regional Council establishes SCAG's official policies on all legislative or regulatory matters.
- 1.8 SCAG and its state and federal lobbyists operate according to the Legislative Program approved annually by the Regional Council.

**Section 2: Policy Review and Action**

- 2.1 SCAG legislative staff shall communicate to legislators, administrators and others SCAG's positions on bills, constitutional amendments, and other matters when germane Regional Council policy exists.
- 2.2 If no germane Regional Council policy exists or it is unclear whether an adopted policy is on-point, legislation and other matters shall be processed as follows:

- A. If the legislation or other matter falls under the purview of a task force or sub committee and time permits, it shall be presented to the task force or sub committee first.
  - B. Legislation or other matters first heard in a task force or sub committee shall be referred to the appropriate policy committee for consideration. If no relevant task force exists, the legislation or other matter shall be submitted to the appropriate policy committee.
  - C. Not less than one month after a policy committee has considered and recommended a position on legislation or other matters, the matter shall be brought to the Regional Council for adoption of a formal position.
  - D. Legislation shall be referred to more than one task force or sub committee and one committee at the direction of the Administration Committee.
  - E. Certain matters may be referred directly to the Regional Council due to their critical nature or the time constraints of the federal or state legislative calendars.
  - F. Certain matters may be brought to the Regional Council the same day they are considered by a policy committee due to the constraints of the federal or state legislative calendars.
  - G. Regional Council, policy committee, and task force members desiring Regional Council action on legislative or other matters not directly contained within the Legislative Program shall direct their requests to the Administration Committee.
  - H. If the Administration Committee approves the request, SCAG legislative staff shall process the legislative or other matter in the manner outlined above.
- 2.3** Upon the adoption of a position by the Regional Council, SCAG legislative staff shall consult members of the Administration Committee (the SCAG President and the policy committee chairs) and determine the appropriate course of action to be taken.
- 2.4** SCAG legislative staff shall present one of the following recommendations to Administration Committee members (a flow chart illustrating this protocol follows in *Appendix C* to this Policy Manual):
- A. **For legislative or other matters contained within the Legislative Program or directly related to SCAG's statutory responsibilities:**  
In addition to position letters and legislative tracking and interaction as



described below, SCAG legislative staff shall, at the direction of the Administration Committee, coordinate advocacy visits to Sacramento or Washington, DC, for Regional Council members and/or SCAG management to meet with key policy makers and/or interested stakeholders and/or relevant grass roots organizations.

- B. **For legislative or other matters not contained within the Legislative Program, but considered traditional SCAG issues:** In addition to a position letter to the author and legislative tracking by SCAG legislative staff and lobbyists, position letters shall be mailed to the appropriate legislative leadership, key legislators, legislative committees and executive branch agency officials. SCAG legislative staff and lobbyists shall interact with these persons to offer amendments, present testimony, fill information requests, or participate in working groups.
- C. **For legislative or other matters not contained in the Legislative Program, not traditionally considered SCAG issues, or not related to SCAG's statutory responsibilities:** A position letter shall be delivered to the author's office to be filed on record. SCAG legislative staff and lobbyists shall monitor the progress of the matter and alert the Regional Council to any changes detrimental to SCAG's interest.
- D. **Exceptions:** Upon the direction of the Regional Council or the Executive Director upon consultation with the President, or when a legislative or other matter is resolved and no further action is required, the above procedures may be waived, amended, or otherwise altered. SCAG legislative staff shall seek guidance and offer alternative recommendations in those cases.

- 2.5 **For legislative or other matters contained within the Legislative Program or directly related to SCAG's statutory responsibilities:** In addition to position letters and legislative tracking and interaction as described below, SCAG legislative staff shall, at the direction of the Administration Committee, coordinate advocacy visits to Sacramento or Washington, DC, for Regional Council members and/or SCAG management to meet with policy makers and/or interested stakeholders and/or relevant grass-roots organizations.
- 2.6 To facilitate the implementation of the Legislative Program, SCAG legislative staff shall coordinate workshops with policy committees early in the legislative calendar to review introduced bills and constitutional amendments and narrow SCAG's legislative focus.
- 2.7 Throughout the remainder of the legislative session, SCAG legislative staff shall present legislative matrices to the policy committees. In preparing the matrices, the staff shall review measures being tracked by various

- organizations including those representing cities, counties, and councils of governments and transportation commissions. Staff shall also seek the recommendations of its Sacramento and Washington lobbyists and other sources in preparing the matrices.
- 2.8** SCAG legislative staff shall also present a matrix to the Regional Council tracking bills and constitutional amendments upon which SCAG has taken a position or which SCAG sponsors.
- 2.9** Legislative matrices shall be updated monthly when the Legislature is in session.